App. F. IX-4

Previous References. 1944-45 (G&C) File No. 4-44

D/c 13-43(33140). Serial Nos: 1, 4

Later References. P 21E

GENERAL AND REVENUE SECRETARIAT

√ *Serial Nos.* 2

Part B for 12/44

SUBJECT

Stock Verification at Government Electric Factory -

D 3327-8/ 2-11-1945

To

1) The Director S.O.F.
2) " Comptroller through F.D

~~Sanctions the~~ Approves the proposal.

H. Nanjachar.
8/3/46

G.R.S.APP.E.III—11]

9

GENERAL AND REVENUE SECRETARIAT.

(9fc)

NOTES. File No. 4 – 44

FILE HEADING.

Results of Stock verification in the Govt. Electric Factory.

FROM The Dir. S.O.F.

No. 2626 Dated 29.6.44 Received

Diary No. 9 | Encls. 3 Spare copies | Serial No.

BRIEF ABSTRACT OF LETTER

Requests sanction to make final adjustments of the shortages and excesses amounting to Rs 23088-11-3 and Rs 3930-12-11 respectively in the final accounts of the Electric Factory.

NOTES AND ORDERS.

1) The previous papers are put up for kind perusal. The results disclosed by the stock verification conducted by Mr. Govinda Rao is an excess of Rs 3930-12-11. This excludes the shortage of Rs 23,088-11-3 disclosed from the stock verification during 1942-3 by Mr. Sripati Rao. The net result of these verifications is a shortage of Rs 19,157-14-4.

NOTES—First Sheet

Stock verification in the Govt. El. Factory

File No. Spl of 194 . | General and Revenue Secretariat 9V5808

? This shortage is explained by the Dir. S.O.F. as being due to irregularities in the maintenance of Stores accounts such as clerical errors, like wrong postings, omissions of receipts & issues etc,

3) The Dir. proposes to adjust the net ~~deficit~~ surplus of Rs 19,157-14-4 being the value of the net shortage in stocks of stores ~~entered~~ in the financial accounts of the factory for 1943-44

4 The ~~this~~ proposal is for orders.

5) Was not a report on the stock-taking for 42-43 called to Govt? for 6/7
What orders were passed on this? 8/7/44

6) What is the latest audit report received from the Comptroller & what are his observations in this regard?

To 10.7.44

Letter no 2816 dated 21.3.45 from the Dir SOF.

Stating the accounts of G.E.F. for the year 1942-43 and 1943-44 are being audited by the Accounts & the Comptrollers observations in respect of the two stock accounts are awaited.

7) Submitted for perusal with reference to para 5 & 6 supra.

The Comptroller may perhaps be consulted tonight. 8/7/44

in this instance.

8) To 31/7/44

9) file 194

Dir. of Ord. Dept. 3 APR. 1945 Madras

CA&AO 25.4.45

No.064 forwarded C/C to the Comptroller for favour of remarks.

Shamasastry 16/8

2a Dev Secy to Govt

Stock verification in the S.E.F.

Oct. 6-44.

3

Comptroller's Office | U. O. | File No. 375/CLAD 22-S of 1945

802/Spl. 26.5.45

Returned with compliments

Serial No.

11) Stock-taking in an Industrial Concern, if it should be considered complete, would usually consist of the verification of the Fixed Assets comprising Machinery, Furniture, Tools etc., and also the floating assets, Raw Materials stores, finished stock and works in process.

12) In spite of the omission being repeatedly pointed out in successive audit reports, no action seems to have been taken so far for the verification of the Fixed Assets (the value of which amounted to more than 7 lakhs of rupees as on 30-6-1942), as also works-in-process (Rs.2,33,788/3/9 as on 30-6-42), and calls for the explanation and attention of the management.

13) As regards Raw Materials' Stores, it was noticed during the previous audits that verifications were conducted on some occasions, but they were not pursued to the final stages of working out the statement of excesses and deficiencies, and obtaining orders thereon of higher authorities. Verifications by Messrs. V. Sripathi Rao & K. V. Govinda Rao form the basis for the excesses and deficiencies now reported to Government by the Director S.O.F.

14) Correctness or otherwise of such excess or dificiency statements very much depend, it need hardly be said, on the accuracy of the Book Balances with reference to which they are worked out. In respect of the stores accounts of the S. E. F., where the stores balances are sufficiently heavy, it has been noticed during audit that sufficient attention has not been paid and details of the types of discrepancies noticed are reported in the respective audit

NOTE—Contn. Sheet.

audit reports. If the accounts are all correctly maintained, the General Ledger Balance under stores should agree with the relative schedule balance, and it will be rather surprising to note that at no time the two figures seem to have agreed in this concern, and there were abnormally large differences as indicated in the margin. The management have to be

Serial No.

Statement showing the abnormal differences between the stores schedule figures and the General Ledger figures of the G.E.F. for the period ending June 1939 to 1941-42 as pointed out in the respective Audit Reports.

Para No. of the A/R and the year.	Stores Schedule figure	General Ledger figure	Difference
11 of A/R for period ending June 1939	4,36,707-7-2	4,60,867-11- 2	24,160- 4-0
20 of A/R for 1939-40	6,05,736-5-9	5,87,762-13- 7	17,973- 8-2
15 of A/R for 1940-41	5,48,088-8-6*	4,92,613-10-11	55,474-13-7
17 of A/R for 1941-42 Nos.1 to 4	6,99,524-2-11*	5,85,320- 1- 9	1,14,204-1-2

* including the negative balances aggregating to Rs.10,701-5-2 as stated in the A.R.

* Revised figure on a mere test check as stated in the A/R.

directed to bestow better and more prompt attention in this behalf at least in future, (let alone the past), as otherwise there is the danger of frauds being committed and remaining without coming to light.

15) The difference between the stores schedule and the ~~original~~ General Ledger balances as on 30-6-42 is shown at Rs.1,14,204-1-2 the former being more than the latter. The net deficiency of Rs.23,088-11-3 noticed in stores on the same date with reference to the stock-taking by Mr. Sripathi Rao, and recommended by the Director for being written off, will not, if

Stock Verification in T.E.D.

Comptroller's Office | File No. 4-44 | of 194....

Serial No.

if sanctioned by Government, affect adversly in the result of working of the Concern in as much as the schedule figure is more than that of the General Ledger. This shortage of Rs.23,088-11-3 was also noticed to be incorrect as a result of the test check of the excess and deficiency statements, and the fact was pointed out in the Audit Report on the accounts for 1941-42. Further scrutiny by the Management in this behalf is ascertained to have brought down the shortage figure to Rs.12,213-10-8 and a formal report in the matter may be called for.

16) It would be a herculean task to wade through all these already old accounts at this stage, and no useful purpose would (in all probability) be served thereby. It would be enough if the management were to restrict their attention to the accounts of such of the major i items of articles where excesses or deficiencies of more than a certain amount (say Rs.100/-), are noticed, and a consolidated report sent to Government, duly reviewed by the Director. It may be mentioned that even heavy excesses should not remain unnoticed, and due investigation in such cases is also absolutely necessary. Subject to the submission of the above detailed report by the Director and final orders of Government thereon, the difference noticed between the value of the counted balances and the General Ledger figure may be asked to be immediately incorporated in accounts.

NOTE—Contn. Sheet.

M Shamanna

COMPTROLLER.

3/22/5

Stock verification in G.H.Q.

6

File No. D&C 4-44 of 194... 9 Comptroller's Office

17) Subd for perusal with reference to para 16 supra. This may be referred to Dir Sp & for remarks. (See Secy's 11 & 16.)

Serial No.

18) The proposal of the Comptroller contained in para 16 supra may be approved

30/5 (Sd) Secy.

For 2/6/45

Min. of Fin. (Sd) Secy

19) Cr 7/6

GOVT. OF INDIA
4 JUN 1945
FINANCIAL
U.O.No. Fi..6761
8 JUN
BANGALORE

20) The Comptroller's proposal may be approved. What trouble ~~is~~ there is in getting the stock verified in the prescribed manner is not clear. In the Electrical Department and the Railway Department where the stores are considerably more, the verification is being regularly done. It is very necessary to see that regular stock verification of these Industrial Concerns ~~should be~~ is made just as in the case of Railway and Electrical Departments and if the present staff cannot do the same, it may be worth while having the stock verified by stock verifiers who go round to each of these by turns thus ensuring a regular and systematic check. As the correctness of our Balance Sheet depends on the actual physical stock held by the Concern and its correct valuation it is ~~necessary~~ essential to see that this important work is not allowed to be neglected.

OFFICE OF THE MINISTER FOR PUBLIC WORKS
25 JULY 1945
No. 5742

21) I agree. B 16/6

22) Cr 16/6

23) Cr 6/8

24) Cr 9/8

25)

NOTE—Contn. Sheet.

Stock verification at S.E.F.

C. F. 69]

5608

Continuation Sheet. File No. / Current No. 9 & C 4-4 of Page. 7

Subd wit a draft S.o. for approval

Please revise draft bringing all the facts in the tempt

B 3/9

B 30/9

Subd. after revision.

6/9. B

Dft S.o. subd for approval.

Dev Secy) B 21.9.45

Secy C 27/9

TYPING SEC. 23 OCT 1945 CENL & REV. SECTT.

Final Com no. 1535

Dept Finance Advd.

(Financial opinion has been accepted)

7/11/45 Done

Collection S.o. no. D. 5723-4/9 dt 13-43-25 re. allowance to Mr. Jivanda Rao, Asst. Audit in S.E.F. has been put up wit D. No. 2435 re. Stock verification of Mysl. Tobacco, co. &c.

B 10/12

Approved HAM 9/11

B 3327-8 D) 2.11.45

Dis S.O.F

Secy M. Rao

Approving the completion in all respects of the Stock verification in the S.E.F., subject to the submission of the detailed report

I&C 4-44-1

Tel. Address: "SANDAL" Bangalore.

OFFICE OF THE DIRECTOR,
SANDALWOOD OIL FACTORIES,

Bangalore, 29th June 1944.

No. 2626
Incl: 3.

FROM M.L. Narasimiengar, Esq., B.A.,B.E.,M.I.E.(Ind),
Director, Sandalwood Oil Factory,
Bangalore.

TO

The Secretary to Government,
Development Department,
Bangalore.

Sir,

Subject: Results of Stock-Verification.

1) I have the honour to enclose herewith statement of Stock-Verification conducted by Mr. Govinda Rao, Asst. Superintendent of Industries, the results of which disclose a net excess of Rs.3,930-12-11. The period occupied in verification was 5 months from 13-12-1943 and this has been sanctioned by Government in their Order No.D.8140-2/I&C 13-43-40 dated 15-6-1944. The excesses and deficiencies have been verified by the Stores Officer with the balances as shown by the Stores Ledgers. A statement of excesses and shortages working up to the net excess of Rs.3,930-12-11 is enclosed herewith for favour of perusal of Government.

2) The result disclosed as above, is after excluding the shortage of Rs.23,088-11-3 as disclosed from the statements of Stock-Verification of Mr. V. Sripati Rao, during the year 1942-43. Necessary action was taken by Stores Officer under instructions of Financial Officer to trace and reconcile the differences between the book and counted balances, with a view to reduce the shortages to the minimum. After adjusting the excesses and deficiencies under similar items and correcting mistakes in book balances, the final result of stock-taking is a net deficit of Rs.23,088-11-3 which require to be adjusted in accounts.

3) If these two results of stock-verification are combined, the net result will be a shortage of Rs.19,157-14-4. This heavy shortage is due to the fact that proper Stores Verification had not been made and systematic stocks accounts had not been maintained for quite a number of years before Mr. Sripati Rao made an exhaustive check of Stores and Stocks in the year 1942. The Stores balances have already been revised with the results of the work done by him; that is, the verified balances only have been carried forward from 1st July 1942 for current transactions. The excess disclosed in the Stock-taking of Mr. Govinda Rao, recently, have also been incorporated in the Stores Accounts.

4) I may add in this connection, that heavy excesses and shortages disclosed in stock-taking are partly due to irregularities in the maintenance of Stores accounts such as Clerical errors like wrong ~~xxxxxx~~ postings, omissions of receipts and issues, mistakes in calculating and carrying forward balances. There are about 3500 items in stores and some categories of raw materials and finished goods comprise articles of different sizes and quantities; for instance, Copper Wires, bolts and nuts, Bakelite powders and bakelite articles. Differences in counting and weighments are likely to arise in the course of handling the materials, giving rise to excess and shortages, when stocks are verified. I should con-

p.t.o.

cnosider that if regular stock verification had been done at the end of every year and prompt action taken to set right the defects noticed in stock-taking, there could not have been the large differences under several items brought to light during the recent stock-verification conducted by Mr. Sripati Rao, Assistant Comptroller.

5) As stated above, the differences between book and verified balances have been adjusted in the Stores accounts and corrected balances only carried forward from July 1942 in order that the accounts may reflect the correct position of Stocks and Stores of the Factory.

6) It is proposed to adjust the net sum of Rs.19,157-14-4 representing the net accumulated value of shortage in Stores and Stocks in the financial accounts of the Factory for the current year (1943-44). Although the earnings of the concern would be reduced by this amount, I expect the net profit of 2 lakhs anticipated in the Budget of this year (1943-44) would be secured, as the same has been estimated on a very conservative basis and we have already realised a sum of Rs.1,94,748/- to end of March 1944 as per the provisional revenue accounts.

7) I request that sanction of Government may kindly be obtained and communicated to this Office for the final adjustments of these shortages and excesses amounting to Rs.23,088-11-3 and Rs.3,930-12-11 respectively in the final accounts.

I have the honour to be,
Sir,
Your most obedient servant,

M R Ramakrishnaiah

DIRECTOR OF SANDALWOOD OIL FACTORIES.

For 30/6.

BR.

GOVERNMENT ELECTRIC FACTORY.

Bangalore City,
Dated 5th June 1944.

N O T E.

In the list, heavy shortages will have to be re-checked. (For example F. Ledger 27th G.M.S Sheet) The sheets have been traced now. Again in C.S., Shellac Varnish., the present Ledger Balance and the actuals, agree and in fact there is an excess of which should be verified.

ABSTRACT OF EXCESS AND SHORTAGE STATEMENT FOR 1944 STOCK-TAKING.

Sl No.	Ledger	Excess Value Rs	As	Ps	Shortage Value Rs	As	Ps.
1.	F (Ferrous) Hard Ware	7,376	13	1	7,197	9	9
2.	NF (Non-Ferrous)	3,689	2	8	1,910	15	8
3.	SF(Semi-Finished) Bolts & Nuts, Screws etc.,	2,481	11	3	3,827	8	4
4.	C. (Copper wires & Strips)	8,077	0	4	11,126	3	7
5.	T.(Tools)	765	10	10	1,374	6	10
6.	M. (Machinery, Motors etc.	207	8	0	1,312	10	11
7.	CS (Consumable Stores)	800	12	3	3,110	9	2
8.	S (Stationery)	636	3	2	490	14	5
9.	E(Electrical materials)	916	8	10	2,578	7	5
10.	B. (Bakelite Powders etc)	406	1	3	92	4	0
11.	W (Wood)	2,051	4	5	2,193	0	0
12.	SY (Stampings & Yokes)	27,689	5	8	15,952	10	0
		55,098	1	9	51,167	4	10

NET EXCESS: Rs.3,930 12 11.

SP:NRN.

STORES OFFICER.

GOVERNMENT ELECTRIC FACTORY.

EXCESS AND DIFFICIENCY STATEMENT OF STOCKS & STORES AS AT THE END OF 1941-42.

The procedure of a regular stock verification once a year was not in vogue here, since the very begining. Stock verification was conducted by Mr. V. Sripathi Rao, Asst. Comptroller, from April 1942 to the end of August 1942. The stock verification could not be finished in a short time as there were more than 3500 items to be weighed or measured. The actual existing balances as also the date on which they were verified, were noted down in the respective ledgers by the stock verification Officer himself.

During the course of the stock verification conducted, it was revealed that certain costly machineries were being used in some of the sections from a long time without indents being placed and the value charged off in the Stores accounts. The total value of these came up to Rs.15,788-8-0. Indents were called for, from various sections which were using these and value charged off in the stores ledgers. This was done after satisfying the stock verification Officer regarding the specification etc. A separate statement giving a detailed description of these machineries and their cost has already been submitted to you.

An abstract of Book and counted balances as on 30-6-42 was got prepared and this could be completed only by the middle of January '43 as the actual balances on that date had to be worked out in view of the fact, that the stock verifications was conducted on different dates, at different parts of the stores buildings. In this connection, I may be permitted to state, that the space provided at present for storing raw-materials is quite inadequate and a decent big building is an absolute necessity for storing articles of this factory, whose value exceed more than 6 lakhs. Moreover, costly articles, such as stampings, copper wires, Bakelite powders, Bakelite tubes etc., require careful storage, if not they are liable to be damaged. As instructed in Government Director's memo No.8019 dated 19-3-43 a statement showing the counted and book balances as on 30-6-'42 is enclosed herewith.

A nett shortage arrived at after adjusting the value of the machineries referred to in para two of this note is Rs.23,088-11-3. This shortage is an accumulated one, as no regular stock taking was conducted ever since the Factory came into being, and the difference either written off or adjusted every year.

In this connection I would like to bring to your kind notice, that certain percentage of wastage will have to be allowed in respect of certain articles, such as oils, hardware articles, Bakelite powders etc. Orders of Government Director will have to be obtained regarding the percentage of wastage allowed in respect of such articles wherever wastages are bound to accur.

The Government Director in his memo No.240-41 dated 24/25-8-42 had instructed that items, whose values were less than Rs.100/- could be adjusted by the Stock Verification Officer himself and other items where there are abnormal differences should be got verified before any action could be taken. This work will take a good lot of time and labour, as ledgers for the last 4 or 5 years or ever since the inception of the Factory will have to be referred to, to find out if any mistakes have been committed in postings, calculations, carrying forward the balances to fresh folios, or in receipting the articles under correct headings. The ledgers have been handled by so many clerks and mistakes might have crept in. Hence, it is not possible to fix up a time limit as to when exactly the work would be completed. It is also a point to be considered whether it is worthwhile taking up this work at this distance of time when no action was taken previously to remedy the defects by regular stock verification every year.

P.T.O.

There are about 150 to 200 items of materials, whose values exceed Rs.100/- and about 25 to 30 items where these are abnormal differences, which have got to be verified before any definite action regarding their adjustments could be taken up. To do this work, Mr. K. Narasimha murthy of the Stores Section will be posted. By his ~~fkm~~ drafting to this work exclusively, the routine work in the stores will be retarded a bit. Anyway this will be tried for a month or two. Mr. K. Narasimha Murthy will be asked to take up one or two items where there are abnormal differences and after satisfying ourselves whether the work is useful to be continued, instructions of the Government Director may be solicited for the future course of action to be taken.

SD/ S. PADMANABHA RAO.

NRN. STORES OFFICER.

FINANCIAL OFFICER.

GOVERNMENT ELECTRIC FACTORY.

ABSTRACT OF BOOK AND COUNTED BALANCES AS ON 30-6-1942.

Sl.No.	List	Book Balance	Counted Balance	Remarks.
1	B	51,117 2 6	42,828 3 4	
2.	C	1,60,035 7 11	1,63,979 11 8	
3.	E	1,09,035 10 4	1,07,183 6 7	
4.	F	97,447 4 1	1,02,823 13 4	
5.	NF	40,685 12 7	39,072 12 2	
6.	W	6,892 5 10	4,554 15 11	
7.	SF	3,284 4 3	5,081 12 2	
8.	SF	37,630 5 2	33,653 11 7	
9.	T	15,774 3 0	14,982 4 8	
10.	M	61,097 11 5	56,824 14 5	
11.	CS	30,248 11 2	27,861 5 3	
12.	S	2,793 9 2	2,417 3 3	
13.	SY	74,253 7 4	65,930 1 2	
		6,90,282 14 9	6,67,194 3 6	

SHORTAGE IN COUNTED BALANCE Rs. 23,088-11-3.

NMN.
5/6/42.

FINANCIAL OFFICER.

GOVERNMENT OF MYSORE

OFFICE OF the Director of Sandalwood Oil Factories, Asiatic Buildings,

No. 2814 Bangalore, *Date* 21/3/45.

To Charles E. Noronha, Esq., M.A.,
Secretary to Government,
Development Department,
Bangalore.

Sir,

182
21/3

Sub: Stock Verification.

I have the honour to state that the accounts of the Government Electric Factory for the year 1942-43 and 1943-44 are being audited by the Auditors of the Comptroller's office and their observations in respect of the stock account are awaited.

I have the honour to be,
Sir,
Your most obedient servant,

DIRECTOR.

G. R. S. App. F VI—G 2]

SUBJECT ..... Stock verification in S. E. F. .....

.....

.....

DST

Diary No. of letter replied to .....

Section 9 & C

File No. 4-44

Serial No. 4

General and Revenue Secretariat

( )

the . *194* .

Proceedings of the Government of His Highness the Maharaja of Mysore.

Date of issue 194

Signed by .....

May this be—

(i) printed ?

(ii) treated as a standing order ?

(iii) published in the Gazette, English Part ?

(iv) translated ?

(v) placed at the disposal of the press ?

(vi) published in the Gazette, Kannada Part ?

1) *Read*— S.O. No. S 723-4 | 9 & C. 13-43-25 D. 4-3-45 Sanctioning the proposal to have the Stock verification of S. E. F. done by Mr. K. V. Govinda Rao, Asst. Supdt. of Industries, Bangalore Dist. in a period of two months.

~~Order thereon—No.~~

2) S.O. No. D. 8140-2 | 9 & C 13-43-46 D. 15-6-44 Extending the period of Stock verification referred to in the G.O. read above to five months in all.

3) Letter No. 2626 D. 29-6-44 from the Director, S.O.F. forwarding the Statement

P.T.O.

of Stock verification in the
S.E.F. conducted by Mr.
Govinda Rao, Asst. Supdt. of
Industries, Bldg Div.
U.O. Note No. 375/S.I.A.D.
D. 22-5-45 from the Controller
to Govt. on the Subject:
Order No: - R.
The Director, S.O.F.
states that as a result of the
Stock verification in the S.E.F
by Mr. Govinda Rao, referred to
in the G.O. read
above, a net excess of stock to the value of
Rs. 3930-12-11 was disclosed,
exclusive of the shortage of stock of the value
of Rs. 2308-11-3 as disclosed
from from the Statements of Stock
verification, conducted by
Mr. Sripati Rao during the
year 1942-43. He states that
these heavy excesses & shortages
are due to irregularities
in the maintenance of Stores
accounts and that differences

List of Enclosures

Copied by

Examined by

G. R. S. App. F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form*).

in counting and weighing of a varied number of items comprising of articles of different sizes and quantities etc. that are likely to arise when stocks are verified. Under the above circumstance the Director, S.O.F. requests sanction of Govt. for the adjustment of these shortages & excesses amounting to Rs. 230 88-11-3 & Rs. 3,930-12-11 respectively in the final accounts which leave a net shortage of Rs 19,157-14-4.

.... The Comptroller to Govt. who was consulted in the matter has referred for his remarks. States that the net deficiency of Rs. 230 88-11-3 noticed in Stores on Stock taking by Mr. Sripada Rao from the date with reference to the enquiry

WD 03697—GPB—30,000—2-2-40

P.T.O.

[redacted] recommended by the
[redacted] SOF
[redacted] for being written
[redacted]
by Govt., affect adversely in
the result of working of the
concern in as much as the
Schedule figure is more than
that of the General Ledger,
December, the one that this
shortage of Rs. 2388-11-3
which was also noticed to
be incorrect on further verification
~~as a result of~~
~~the test check of the Excess~~
~~& deficiency Statements~~ is
been
ascertained to have brought-
down ~~the Shortage figure~~
to Rs. 12213-10-8. By the further
Scrutiny made by the
management that a formal
Report in the matter may
be called for. He further
states that it would be

G. R. S. App. F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form*).

enough if the management were to restrict their attention to the accounts of such of the major items & articles as these excesses & deficiencies of more than a certain amount (Rs. 100/-) are noticed & a consolidated report sent to Govt., duly reviewed by the Director & that due investigation even in cases of heavy excess is also absolutely necessary. Subject to the submission of the above detailed report, we suggest that the difference noticed between the value of the counted balances & the general ledger may be immediately incorporated in the accounts.

~~In the Treasuries~~

WD 03697—GPB—30,000—2-2-40

P. T. O.

~~Order~~ ~~No~~ ~~R~~

Govt are pleased to approve the Comptroller's proposal subject to the submission of the detailed report referred to above.

Govt further desire to observe that it is very necessary to see that a regular stock verification of these industrial concerns is made, as in the case of the Railway & Elect. Depts, either by the present staff or by stock verifiers. It is very essential that this important work is not allowed to be neglected.

As the correctness of the balance sheet of a concern depends on the actual stock held by it, it is very much necessary.

Ce
27/9

Pl
21.9.45

Dev. Secy. to Govt

The Director, S.O.F.

The Comptroller to Govt thro

hz 11/9.

G. R. S. App. F VI—G 2]

SUBJECT ..... Stock verification in S.E.F. .....

.....

.....

Diary No. of letter replied to .....

Section 9 & c

File No. 4-44

Serial No. 4

General and Revenue Secretariat

( )

the 194 .

Proceedings of the Government of His Highness the Maharaja of Mysore.

Date of issue 194

Signed by .....

May this be—

(i) printed ?

(ii) treated as a standing order ?

(iii) published in the Gazette, English Part ?

(iv) translated ?

(v) placed at the disposal of the press ?

(vi) published in the Gazette, Kannada Part ?

1) Read— G.O. No. S 723-4 | 9 & c. 13-43-25 D. 4-3-45 sanctioning the proposal to have the stock verification of S.E.F. done by Mr. T.V. Govinda Rao., Asst. Supdt. of Industries, Bilgar Area in a period of two months.

~~Order thereon—No.~~

2) G.O. No. D. 8140-2 | 9 & c 13-43-40 D. 15-6-44 extending the period of stock verification referred to in the G.O. read above to five months in all.

3) Letter No. 2626 D. 29-6-4 from the Director, S.E.F. forwarding the Statement

P.T.O.

q Stock verification in the
S.E.E. conducted by Mr.
Govinda Rao, Asst. Supdt. q
Industries, B'lore Dist.
vide G.O. Note No. 325/S.L.A.D.
D. 22-5-45 from the Controller
to Govt. on the Subject
Order: No: R.
... The Director, S.O.F.
states that as a result of the
Stock verification in the S.E.F
by Mr. Govinda Rao, referred to
in the G.O. read
above, a net excess of stock to the value of
Rs. 3930-12-11 was disclosed,
exclusive of the shortage of stock of the value
of Rs. 2308-11-3 as disclosed
from the Statement of Stock
verification, conducted by
Mr. Sripati Rao during the
year 1942-43. He states that
these heavy excesses & shortages
are due to irregularities
in the maintenance of Stores
accounts and that differences

List of Enclosures

Copied by

Examined by

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

R e a d :-

Govt. Order No.8723-4/I & C.13-43-25 dated 4th March 1944 sanctioning the proposal of the Director of Industries and Commerce in Mysore to have the stock verification of Government Electric Factory done by Mr.K.V.Govinda Rao, Assistant Superintendent of Industries, Bangalore Division in a period of two months.

2. Govt.Order No.D.8141-2/I & C.13-43-40 dated 15th June 1944 extending the period of stock verification referred to in the Govt. Order read above to five months in all.

3. Letter No.3020 dated 29th June 1944 from the Director of Sandalwood Oil Factories in Mysore, forwarding the statement of stock-verification in the Government Electric Factory by Mr. Govinda Rao, Assistant Superintendent of Industries, Bangalore Division.

4. U.O.Note No.375/C.L.A.D. dated 22nd May 1945 from the Comptroller to Government on the subject.

O R D E R No. D 3327-8

Dated, Bangalore, the 24/11 October 1945.

The Director of Sandalwood Oil Factories states that as a result of the stock verification in the Government Electric Factory by Mr.Govinda Rao, referred to in the Government Orders read above, a net excess of stock to the value of Rs.3,930-13-11 was disclosed, exclusive of the shortage of stock of the value of Rs.23,038-11-3 as disclosed from the stock verification conducted by Mr.Tripathi Rao during the year 1942-43. He stated that these heavy excesses and shortages are due to irregularities in the maintenance of stores accounts and differences in counting and weighing of a varied number of items comprising articles of different sizes and quantities etc.

Under the above circumstances, the Director of Sandalwood Oil requests sanction of Government for adjustment in the final accounts of these shortages and excesses amounting to Rs.23,038-11-3 and Rs.3,930-13-11 respectively, which leave a net shortage of Rs.19,107-14-4.

The Comptroller to Government who was consulted in the matter states that the net deficiency of Rs.23,038-11-3 noticed in Stores from the stock taking conducted by Mr.Tripathi Rao and recommended by the Director of Sandalwood Oil Factories for being written off, will not, if sanctioned by Government, affect adversely the result of working of the concern in as much as the schedule figure is more than that of the General Ledger, that this shortage of Rs.23,038-11-3 which was noticed to be incorrect on further verification is ascertained to have been brought down to Rs.12,313-10-8 by the further scrutiny made by the management and that a formal report in the matter may be called for. He further states that it would be enough if the management were to restrict their attention to known accounts of such of the major items of articles as show excesses and deficiencies of more than a certain amount (Rs.100/-) and a consolidated report sent to Government duly reviewed by the Director and that due investigation even in cases of handy excess is also absolutely necessary. Subject to the submission of the above detailed report, he suggests that the difference noticed between the value of the counted balances and the General Ledger may be immediately incorporated in the accounts.

Government are pleased to approve the Comptroller's proposal

E T C.

su

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

R e a d :-

Govt. Order No.5723-4/I & C.13-43-45 dated 4th March 1945 sanctioning the proposal of the Director of Industries and Commerce in Mysore to have the stock verification of Government Electric Factory done by Mr.K.V.Govinda Rao, Assistant Superintendent of Industries, Bangalore Division in a period of two months.

2. Govt.Order No.D.3140-2/I & C.13-43-45 dated 15th June 1944 extending the period of stock verification referred to in the Govt. Order read above to five months in all.

3. Letter No.3023 dated 29th June 1944 from the Director of Sandalwood Oil Factories in Mysore, forwarding the statement of stock verification in the Government Electric Factory by Mr. Govinda Rao, Assistant Superintendent of Industries, Bangalore Division.

4. U.O.Note No.375/C.A.A.G. dated 22nd May 1945 from the Comptroller to Government on the subject.

D 3327—8 &c

Dated, Bangalore, the 24/11 October 1945.

The Director of Sandalwood Oil Factories states that as a result of the stock verification in the Government Electric Factory by Mr.Govinda Rao, referred to in the Government Orders read above, a net excess of stock to the value of Rs.3,930-13-11 was disclosed, exclusive of the shortage of stock of the value of Rs.23,038-13-3 as disclosed from the stock verification conducted by Mr.Gopinathi Rao during the year 1942-43. He states that these heavy excesses and shortages are due to irregularities in the maintenance of stores accounts and differences in counting and weighing of a varied number of items comprising articles of different sizes and quantities etc.

Under the above circumstances, the Director of Sandalwood Oil requests sanction of Government for adjustment in the final accounts of these shortages and excesses amounting to Rs.23,038-11-3 and Rs.3,930-13-11 respectively, which leave a net shortage of Rs.19,107-14-4.

The Comptroller to Government who was consulted in the matter states that the net deficiency of Rs.23,038-11-3 noticed in Stores from the stock taking conducted by Mr.Gopinathi Rao and recommended by the Director of Sandalwood Oil Factories for being written off, will not, if sanctioned by Government, affect adversely the result of working of the concern in as much as the schedule figure is more than that of the General Ledger, that this shortage of Rs.23,038-11-3 which was noticed to be incorrect on further verification is ascertained to have been brought down to Rs.12,213-10-8 by the further scrutiny made by the management and that a formal report in the matter may be called for. He further states that it would be enough if the management were to restrict their attention to known the accounts of such of the major items of articles as show excesses and deficiencies of more than a certain amount (Rs.100/-) and a consolidated report sent to Government duly reviewed by the Directors and that due investigation even in cases of heavy excess is also absolutely necessary. Subject to the submission of the above detailed report, he suggests that the difference noticed between the value of the counted balances and the General Ledger may be immediately incorporated in the accounts.

Government are pleased to approve the Comptroller's proposal

F T C.

su

subject to the publication of the detailed report referred to above.

Government further desire to observe that it is very necessary to see that a regular stock verification of these industrial concerns is made, as in the case of the Railway and Electrical Departments, either by the present staff or by stock verifiers. As the correctness of the balance-sheet of a concern depends on the actual stock held by it and correct valuation, ~~and that~~ it is very essential that this important work is not allowed to be neglected.

Sd/-

For Secretary to Government,
Development Department.

To

The Director of Sandalwood Oil Factory in Mysore.
The Comptroller to Government, through Financial Department.

mkb